

10-17/2

7 MAR 1950

The Honorable Recce C. Siciliano
Special Assistant to the President
for Personnel Management
The White House
Washington 25, D. C.

Dear Mr. Siciliano:

Recently the Bureau of the Budget was in touch with this Agency requesting our comments on H. R. 3527, known as the Overseas Employees' Fringe Benefits Act. We were further informed that this bill would receive the Administration's support.

After a careful review of the provisions of this bill, the Bureau of the Budget was informed that we regarded it as a good bill not only for this Agency but also in view of the fact that it tended to make uniform many of the overseas benefits available to departments and agencies generally.

As you are aware, the Foreign Service Act of 1946, as amended, provides a unique grouping of allowances and travel authorities for the Foreign Service. In addition the Foreign Service has special home leave privileges. Under the Central Intelligence Agency Act of 1949, as amended, this Agency has certain allowances and travel authorities. The majority of the civilian employees of other agencies who are stationed abroad have allowances and travel authorities differing from those available to the Foreign Service and the Central Intelligence Agency.

By the nature of our operations overseas, it is necessary to conform our employees in many cases to the pattern of authorities applicable to either Foreign Service or civilian employee groups of other agencies. These differing patterns of fringe benefits not only create administrative difficulties but, in many cases, constitute a security

hazard. Under these circumstances the changes proposed in H. R. 3527 would assist materially in reducing the security hazards attendant upon attempting to place our individuals in other civilian groups. Therefore, we strongly support the efforts to secure enactment of this legislation.

Sincerely,

Allen W. Dulles
Director

Distribution:

DCI *on routing*

DDCI *initial*

✓ER

Personnel

DD/S

Legislative Counsel

OGC/LC:JSW:mks (5 March 1958)

85TH CONGRESS
1ST SESSION

H. R. 3527

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1957

Mr. MORRISON introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To provide and adjust certain allowances, expenses, and other fringe employment benefits for certain Government employees stationed overseas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Overseas Employees
4 Fringe Benefits Act".

5 TITLE I—PURPOSE AND DEFINITIONS

6 PART A—PURPOSE

7 SEC. 101. The Congress hereby declares that it is the
8 purpose of this Act to improve and strengthen the admin-
9 istration of overseas activities of the Government by—
10 (1) providing a means for more effectively com-

I

1 compensating Government employees for the extra costs and
2 hardships incident to their assignments overseas,

3 (2) providing for the uniform treatment of Gov-
4 ernment employees stationed overseas to the extent
5 justified by relative conditions of employment,

(3) establishing the basis for the more efficient and equitable administration of the laws compensating Government employees for the extra costs and hardships incident to their assignments overseas, and

(4) facilitating for the Government the recruitment and retention of the best qualified personnel for civilian service overseas.

13 PART B—DEFINITIONS

SEC. 111. As used in this title, title II, and section 524
of title V, the term—

16 (1) "Government" means the Government of the
17 United States of America;

(2) "Government agency" means (A) each executive department of the Government, (B) each independent establishment or agency in the executive branch of the Government, including each corporation wholly owned (either directly or through one or more corporations) by the Government, and (C) the General Accounting Office;

24 (3) "Employee" means an individual employed in the
25 civilian service of a Government agency and more specifically

1 defined in regulations prescribed by the President, but in-
2 cluding ambassadors, ministers, and officers of the Foreign
3 Service of the United States under the Department of State;

4 (4) "Continental United States" means the several
5 States of the United States of America existing on the date
6 of enactment of this Act and the District of Columbia; and

7 (5) "Foreign area" means any area situated outside
8 the continental United States, excluding Alaska, Hawaii,
9 the Commonwealth of Puerto Rico, the Canal Zone, and the
10 possessions of the United States but including the Trust
11 Territory of the Pacific Islands.

12 TITLE II—ALLOWANCES AND DIFFERENTIALS
13 IN FOREIGN AREAS

14 PART A—SHORT TITLE AND GENERAL PROVISIONS

15 SEC. 201. This title may be cited as the "Foreign Areas
16 Allowances Act".

17 SEC. 202. Notwithstanding section 1765 of the Revised
18 Statutes (5 U. S. C. 70), the allowances and differentials
19 provided by this title are authorized for and may be granted
20 only to an employee stationed in a foreign area—

- 21 (1) who is a citizen of the United States, and
22 (2) whose rate of basic compensation (A) is fixed
23 by statute or (B) is fixed administratively in conformity
24 with rates paid by the Government for comparable work
25 in the continental United States (without taking into

1 consideration the allowances and differentials provided
2 by this title),
3 except that such allowances and differentials may be paid to
4 an employee stationed in a foreign area who is not a citizen
5 of the United States to the extent that the payment of such
6 allowances and differentials to such non-citizen employee is
7 authorized by any provision of law other than this title.

8 SEC. 203. The allowances and differentials authorized
9 by this title shall be paid in accordance with regulations
10 prescribed by the President establishing rules governing pay-
11 ments thereof and the respective rates at which such pay-
12 ments shall be made, the foreign areas, the groups of posi-
13 tions, and the categories of employees to which such rates
14 shall apply, and other related matters.

15 PART B—QUARTERS ALLOWANCES

16 SEC. 211. Whenever Government-owned or Govern-
17 ment-rented quarters are not provided without charge, one or
18 more of the following quarters allowances may be granted
19 where applicable:

20 (1) A temporary lodging allowance for the cost of tem-
21 porary quarters incurred by the employee and his family
22 (A) for a period not in excess of three months after first
23 arrival at a new post of assignment in a foreign area or a
24 period ending with the occupation of residence quarters,
25 whichever shall be shorter, and (B) for a period of not more

1 than one month immediately preceding final departure from
2 the post subsequent to the necessary evacuation of residence
3 quarters;

4 (2) A living quarters allowance for rent, heat, light,
5 fuel, gas, electricity, and water, without regard to the limi-
6 tations of section 3648 of the Revised Statutes, as amended
7 (31 U. S. C. 529) ; and

8 (3) Under unusual circumstances payment or reim-
9 bursement for extraordinary, necessary, and reasonable ex-
10 penses, not otherwise compensated for, incurred in initial re-
11 pairs, alterations, and improvements to an employee's
12 privately leased residence at a post of assignment in a foreign
13 area, if such expenses are administratively approved in ad-
14 vance and if the duration and terms of the lease justify
15 payment of such expenses by the Government.

16 PART C—COST-OF-LIVING ALLOWANCES

17 SEC. 221. The following cost-of-living allowances may
18 be granted where applicable:

19 (1) A post allowance to offset the difference between
20 the cost of living at the post of assignment in a foreign
21 area and the cost of living in Washington, District of
22 Columbia;

23 (2) A transfer allowance for extraordinary, necessary,
24 and reasonable expenses, not otherwise compensated for,
25 incurred by an employee incident to establishing himself at

1 any post of assignment in a foreign area or at a post of
2 assignment in the continental United States between assign-
3 ments to posts in foreign areas;

4 (3) A separate maintenance allowance to assist an em-
5 ployee who is compelled by reason of dangerous, notably
6 unhealthful, or excessively adverse living conditions at his
7 post of assignment in a foreign area, or for the convenience
8 of the Government, to meet the additional expense of main-
9 taining, elsewhere than at such post, his wife or his de-
10 pendants under 21 years of age, or both;

11 (4) An education allowance or payment of transpor-
12 tation costs to assist an employee with the extraordinary
13 and necessary expenses, not otherwise compensated for,
14 which must be incurred by reason of his service in foreign
15 areas, in providing adequate education for his dependents,
16 as follows:

17 (A) An allowance not to exceed the cost of obtain-
18 ing such elementary and secondary educational services as
19 are ordinarily provided without charge by the public schools
20 in the continental United States plus, in those cases where
21 adequate schools are not available at the post, board and
22 room, and periodic transportation between the post and the
23 nearest locality where adequate schools are available, with-
24 out regard to the limitations of section 3648 of the Revised
25 Statutes, as amended (31 U. S. C. 529); but the amount

1 of the allowance granted shall be determined on the basis
2 of the educational facility used;

3 (B) The cost of transporting dependents of an em-
4 ployee to and from United States ports of entry, as desig-
5 nated by the head of his agency, to obtain an American sec-
6 ondary or undergraduate college education, not to exceed one
7 trip each way for each dependent for the purpose of obtain-
8 ing each type of education; but no allowance payments
9 under subparagraph (A) of this paragraph (4) shall be
10 made for any dependent during the same school year in
11 which transportation for secondary education is authorized
12 under this subparagraph (B). Notwithstanding section 111
13 (5) of this Act, transportation, for the purpose of obtaining
14 undergraduate college education, may be authorized under
15 this subparagraph (B), under such regulations as the Presi-
16 dent may prescribe, for dependents of employees who are
17 citizens of the United States stationed in the Canal Zone.

18 PART D—POST DIFFERENTIAL

19 SEC. 231. A post differential may be granted on the basis
20 of conditions of environment which differ substantially from
21 conditions of environment in the continental United States
22 and warrant additional compensation as a recruitment and
23 retention incentive. Additional compensation paid as a post
24 differential shall not in any instance exceed 25 per centum
25 of the rate of basic compensation.

1 TITLE III—MISCELLANEOUS EXPENSES

2 PART A—REPRESENTATION EXPENSES

3 SEC. 301. The Administrative Expenses Act of 1946
4 (60 Stat. 806), as amended, is amended by adding at the
5 end thereof the following new section:

6 “SEC. 22. Under such regulations as the President may
7 prescribe, funds available to the departments for administra-
8 tive expenses may be allotted to posts in foreign countries
9 and to resident missions to international organizations for
10 representation purposes in the promotion of official policies
11 and programs.”

12 PART B—STORAGE

13 SEC. 311. (a) Paragraphs (4) and (5) of section 911
14 of the Foreign Service Act of 1946 (22 U. S. C. 1136 (4)
15 and (5)) are amended to read as follows:

16 “(4) the cost of packing and unpacking, transport-
17 ing to and from a place of storage, and storing the
18 furniture and household and personal effects of an officer
19 or employee of the Service, when he is absent from his
20 his post of assignment under orders, or when he is as-
21 signed to a post to which he cannot take or at which
22 he is unable to use such furniture and household and
23 personal effects, or when it is in the public interest or
24 more economical to authorize storage; but in no instance
25 shall the weight of the effects stored together with the

1 weight of the effects transported exceed the maximum
2 weight limitations fixed by regulations, when not other-
3 wise fixed by law;

4 “(5) the cost of packing and unpacking, transport-
5 ing to and from a place of storage, and storing the
6 furniture and household and personal effects of an officer
7 or employee of the Service in connection with assign-
8 ment or transfer to a new post, from the date of his
9 departure from his last post or from the date of his
10 departure from his place of residence in the case of a
11 new officer or employee and for not to exceed three
12 months after arrival at the new post, or until the
13 establishment of residence quarters, whichever shall be
14 shorter; and in connection with separation of an officer
15 or employee of the Service stationed overseas, the cost
16 of packing and unpacking, transporting to and from a
17 place of storage, and storing for a period not to exceed
18 three months, his furniture and household and personal
19 effects transported at Government expense.”

20 (b) Section 5 (a) (1) (D) and (E) of the Central
21 Intelligence Agency Act of 1949 (63 Stat. 209; 50 U. S. C.
22 403e (a) (1) (D) and (E)) are amended to read as
23 follows:

24 “(D) pay the cost of packing and unpacking,
25 transporting to and from a place of storage, and storing

1 the furniture and household and personal effects of an
2 officer or employee of the Agency, when he is absent
3 from his post of assignment under orders, or when he is
4 assigned to a post to which he cannot take or at which
5 he is unable to use such furniture and household and
6 personal effects, or when it is in the public interest or
7 more economical to authorize storage; but in no instance
8 shall the weight of the effects stored together with the
9 weight of the effects transported exceed the maximum
10 weight limitations fixed by regulations, when not other-
11 wise fixed by law;

12 “(E) pay the cost of packing and unpacking, trans-
13 porting to and from a place of storage, and storing the
14 furniture and household and personal effects of an officer
15 or employee of the Agency in connection with assign-
16 ment or transfer to a new post, from the date of his de-
17 parture from his last post or from the date of his
18 departure from his place of residence in the case of a
19 new officer or employee and for not to exceed three
20 months after arrival at the new post, or until the es-
21 tablishment of residence quarters, whichever shall be
22 shorter; and in connection with separation of an officer
23 or employee of the Agency stationed overseas, the cost
24 of packing and unpacking, transporting to and from a
25 place of storage, and storing for a period not to exceed

1 three months, his furniture and household and personal
2 effects transported at Government expense."

3 (c) The first section of the Administrative Expenses
4 Act of 1946 (60 Stat. 806), as amended (5 U. S. C.
5 73b-1), is amended by adding at the end thereof the fol-
6 lowing new subsection:

7 "(e) Whenever any civilian officer or employee is as-
8 signed to a permanent duty station outside the continental
9 United States to which he cannot take or at which he is un-
10 able to use his household goods and personal effects or
11 whenever the head of the department concerned authorizes
12 storage of any such property in the public interest or for
13 reasons of economy, storage expenses (including related
14 transportation and other expenses) may be allowed such
15 officer or employee in accordance with regulations prescribed
16 by the President; but in no instance shall the weight of the
17 property stored under this subsection, together with the
18 weight of property transported under subsection (a), exceed
19 the maximum weight limitation provided by subsection (a)."

20 PART C—OFFICIAL RESIDENCE EXPENSES

21 SEC. 321. (a) The Administrative Expenses Act of
22 1946 (60 Stat. 806), as amended, is amended by adding
23 thereto, immediately following the new section 22 added to
24 such Act by section 301 of this Act, the following new
25 section:

1 “SEC. 23. Under such regulations as the President may
2 prescribe, funds available to the departments for admin-
3 istrative expenses may be allotted to posts in foreign coun-
4 tries for the purpose of defraying the unusual expenses inci-
5 dent to the operation and maintenance of official residences
6 suitable for the chief representatives of the United States at
7 such posts and such other senior officials of this Government
8 in foreign countries as the President may designate.”

9 (b) Section 8 of the United Nations Participation Act
10 of 1945, as amended (22 U. S. C. 287e), is amended by
11 striking out “and the allotment of funds, similar to the
12 allotment authorized by section 902 of the Foreign Service
13 Act of 1946, for unusual expenses incident to the operation
14 and maintenance of such living quarters, to be accounted for
15 in accordance with section 903 of said Act; and such other
16 expenses as may be authorized by the Secretary of State;
17 all without regard to section 3709 of the Revised Statutes,
18 as amended (41 U. S. C. 5)” and inserting in lieu thereof
19 “and unusual expenses similar to those authorized by sec-
20 tion 23 of the Administrative Expenses Act of 1946, as
21 amended by section 321 of the Overseas Employees Fringe
22 Benefits Act, incident to the operation and maintenance of
23 such living quarters, and such other expenses as may be
24 authorized by the Secretary of State; all without regard to

1 section 3709 of the Revised Statutes, as amended (41
2 U. S. C. 5)".

3 PART D—TRANSPORTATION OF MOTOR VEHICLES

4 SEC. 331. The first section of the Administrative Ex-
5 penses Act of 1946 (60 Stat. 806), as amended (5 U. S. C.
6 73b-1), is amended by adding thereto, immediately follow-
7 ing the new subsection (c) added to such first section by
8 section 311 (c) of this Act, the following new subsection:

9 “(f) Under such regulations as the President may pre-
10 scribe, the privately owned motor vehicle of any employee
11 assigned to a post of duty outside the continental United
12 States on other than temporary duty orders may be trans-
13 ported to, from, and between the continental United States
14 and such post of duty, or between posts of duty outside the
15 continental United States, whenever it is determined by the
16 head of the department concerned to be in the interest of the
17 Government for such employee to have the use of a motor
18 vehicle at his post of duty. Not more than one motor vehicle
19 of any employee may be transported under authority of this
20 subsection during any four-year period, except that, as a
21 replacement for such motor vehicle, one additional motor
22 vehicle of any employee may be so transported during such
23 period upon approval, in advance, by the head of the depart-
24 ment concerned and upon a determination, in advance, by

1 such department head that such replacement is necessary
2 for reasons beyond the control of the employee and is in the
3 interest of the Government. After the expiration of four
4 years following the date of transportation under authority
5 of this subsection of a privately owned motor vehicle of any
6 employee who has remained in continuous service outside
7 the continental United States, the transportation of a re-
8 placement for such motor vehicle for such employee may be
9 authorized, in accordance with this subsection, by the head
10 of the department concerned. The head of each department
11 may, in accordance with this subsection, authorize the trans-
12 portation of privately owned motor vehicles of employees of
13 such department, assigned to duty outside the continental
14 United States, by commercial means if available at reason-
15 able rates and under reasonable conditions or by Govern-
16 ment means on a space-available basis. This subsection shall
17 not affect the authority contained in section 913 of the For-
18 eign Service Act of 1946 (60 Stat. 1027; 22 U. S. C. 1138)
19 or section 5 (a) (4) of the Central Intelligence Agency
20 Act of 1949 (63 Stat. 210; 50 U. S. C. 403e (a) (4))."

21 TITLE IV—AMENDMENTS TO ANNUAL AND SICK

22 LEAVE ACT OF 1951

23 SEC. 401. Subsections (d), (e), and (f) of section 203
24 of the Annual and Sick Leave Act of 1951 as amended

1 (5 U. S. C. 2062 (d), (e), and (f)), are amended to
2 read as follows:

3 “(d) Notwithstanding the provisions of subsection (c),
4 a maximum accumulation not to exceed forty-five days at
5 the beginning of the first complete biweekly pay period, or
6 corresponding pay period in the case of an officer or employee
7 who is not paid on the basis of biweekly pay periods, in
8 any year is authorized for the following categories of em-
9 ployees of the Federal Government stationed outside the
10 continental United States:

11 “(1) Persons directly recruited or transferred by the
12 Federal Government (A) from the continental United
13 States, or (B) from Alaska, Hawaii, the Commonwealth of
14 Puerto Rico, or the possessions of the United States for
15 employment outside the area of recruitment or from which
16 transferred.

17 “(2) Persons employed locally but (A) (i) who were
18 originally recruited from the continental United States, or
19 from Alaska, Hawaii, the Commonwealth of Puerto Rico,
20 or the possessions of the United States but outside the area of
21 employment, (ii) who have been in substantially continuous
22 employment by other Federal agencies, United States firms,
23 interests or organizations, international organizations in which
24 the United States Government participates, or foreign gov-
25 ernments, and (iii) whose conditions of employment provide

1 for their return transportation to the continental United
2 States or Alaska, Hawaii, the Commonwealth of Puerto
3 Rico, or the possessions of the United States, or (B) (i)
4 who were at the time of employment temporarily absent,
5 for the purpose of travel or formal study, from the continental
6 United States, or from their respective places of residence in
7 Alaska, Hawaii, the Commonwealth of Puerto Rico, or the
8 possessions of the United States and (ii) who, during such
9 temporary absence, have maintained residence in the conti-
10 nental United States or in Alaska, Hawaii, the Common-
11 wealth of Puerto Rico, or the possessions of the United States
12 but outside the area of employment.

13 “(3) Persons who are not normally residents of the
14 area concerned and who are discharged from service in the
15 Armed Forces of the United States to accept employment
16 with an agency of the Federal Government.

17 “(e) With respect to not more than one period of leave
18 in any twenty-four-month period, the leave granted pur-
19 suant to this title shall be exclusive of the time actually and
20 necessarily occupied in going to and from the post of duty
21 and exclusive of such time as may be necessarily occupied
22 in awaiting transportation, in the case of an officer or em-
23 ployee (1) who is within the purview of subsection (d) of
24 this section, (2) whose post of duty is outside the continental
25 United States, and (3) who returns on leave to the conti-

1 nental United States, or to his place of residence, which is
2 outside the area of employment, in Alaska, Hawaii, the
3 Commonwealth of Puerto Rico, or the possessions of the
4 United States.

5 “(f) Upon completion of twenty-four months of con-
6 tinuous service outside the continental United States, officers
7 and employees may be granted, in accordance with regula-
8 tions of the President, leave of absence at a rate not to exceed
9 one week for each four months of such service without re-
10 gard to any other leave provided by this title, for use in the
11 continental United States, or, if their respective places of
12 residence are outside the area of employment, in Alaska,
13 Hawaii, the Commonwealth of Puerto Rico, or the posses-
14 sions of the United States. Such leave so granted may be
15 accumulated for future use without regard to the limitation
16 in subsection (d) of this section but no such leave shall be
17 made the basis for any terminal leave or for any lump-sum
18 payment.”

19 SEC. 402. (a) Section 202 (b) (2) of the Annual
20 and Sick Leave Act of 1951, as amended (5 U. S. C.
21 2061 (b) (2)), is amended to read as follows:

22 “(2) This title, except section 203 (g), shall not
23 apply to alien employees who occupy positions outside the
24 continental United States.”

25 (b) Section 202 (c) (2) of such Act, as amended

1 (5 U. S. C. 2061 (c) (2)), is amended to read as
2 follows:

3 “(2) The President, in his discretion, may authorize
4 leaves of absence to persons who are exempted from this
5 title pursuant to subsection (c) (1) (B) for use in the
6 continental United States and in Alaska, Hawaii, the Com-
7 monwealth of Puerto Rico, and the possessions of the United
8 States. Leaves of absence authorized under this paragraph
9 shall not constitute a leave system and no such leave of
10 absence shall be made the basis for any lump-sum payment.”

11 (c) Section 202 of such Act, as amended (5 U. S. C.
12 2061), is amended by adding at the end of such section
13 the following new subsection:

14 “(d) As used in this title, the term ‘continental United
15 States’ means the several States of the United States of
16 America existing on the effective date of this subsection
17 and the District of Columbia.”

18 SEC. 403. The amendments made by this title to the
19 Annual and Sick Leave Act of 1951, as amended, shall take
20 effect on the first day of the first pay period following the
21 date of enactment of this Act.

22 TITLE V—APPROPRIATION, REPEAL, AND
23 MISCELLANEOUS PROVISIONS

24 PART A—APPROPRIATION PROVISIONS

25 SEC. 501. (a) There are hereby authorized to be ap-

1 propriated such sums as may be necessary to carry out the
2 purposes of this Act and the amendments made thereby.

3 (b) Appropriations or funds otherwise available, for
4 the fiscal year ending June 30, 1958, to any department,
5 agency, establishment or corporation of the Government of
6 the United States of America within the purview of this
7 Act or of any amendment made thereby are hereby made
8 available for the purposes of this Act and of any such
9 amendment in accordance with the authority contained in
10 this Act or contained in any law amended by this Act and
11 in accordance with such regulations as the President may
12 prescribe.

13 PART B—REPEAL PROVISIONS

14 SEC. 511. (a) The following provisions of law are
15 repealed:

16 (1) That part of the Act entitled "An Act to provide
17 living quarters, including heat, fuel, and light, for civilian
18 officers and employees of the Government stationed in
19 foreign countries", approved June 26, 1930 (46 Stat. 818;
20 Public Law 445, Seventy-first Congress; 5 U. S. C. 118a),
21 which reads "and, where such quarters are not available, may
22 be granted an allowance for living quarters, including heat,
23 fuel, and light, notwithstanding the provisions of section
24 1765 of the Revised Statutes (U. S. C., title 5, sec. 70)";

25 (2) That part of the first proviso of such Act of June

1 26, 1930, which reads "or allowances in lieu thereof"; and

2 (3) Sections 443, 901, 902, 903, and 1051 of the
3 Foreign Service Act of 1946, as amended (60 Stat. 1006,
4 1025, 1026, and 1032; 22 U. S. C. 888, 1131, 1132, and
5 1133).

6 (b) Any provision of law which is not repealed by sub-
7 section (a) of this section but is inconsistent with any pro-
8 vision of this Act or of any amendment made thereby shall
9 be held and considered to be amended, modified, or super-
10 seded to the extent necessary to carry out the purposes of
11 and conform to such provision of this Act or of such amend-
12 ment.

13 PART C—MISCELLANEOUS PROVISIONS

14 SEC. 521. The repeal, modification, amendment, or
15 superseding, by reason of section 511 of this Act, of any
16 provision of law shall not affect any act done or right ac-
17 cruing or accrued, any liability, or any action, suit, or pro-
18 ceeding had or commenced in any civil cause, before such
19 repeal, modification, amendment, or superseding; but all
20 such rights and liabilities, under any provision of law so
21 repealed, modified, amended, or superseded, shall continue
22 and may be enforced in the same manner as if such repeal,
23 modification, amendment, or superseding had not occurred,
24 subject, however, to section 523 of this Act.

25 SEC. 522. Whenever reference is made in any other law

1 or in any regulation to any provision of law which is re-
2 pealed, modified, amended, or superseded by reason of sec-
3 tion 511 of this Act, such reference, unless inconsistent
4 with this Act, shall be held and considered to refer to this
5 Act or the appropriate provision of, or amendment made by,
6 this Act.

7 SEC. 523. The repeal of any provision of law by sec-
8 tion 511 (a) of this Act shall not be construed to revive
9 any provision of law which may previously have been re-
10 pealed by implication.

11 SEC. 524. Notwithstanding any provision of this Act
12 and until such time as regulations are issued under this Act,
13 employees shall continue to be paid allowances and differen-
14 tials in accordance with rules and regulations issued pursuant
15 to the laws in effect immediately prior to the enactment of
16 this Act and such rules and regulations may be amended or
17 revoked in accordance with the provisions of such laws.

18 SEC. 525. Section 912 of the Internal Revenue Code
19 of 1954 (relating to exemption for certain allowances) is
20 amended to read as follows:

21 **"SEC. 912. EXEMPTIONS FOR CERTAIN ALLOWANCES.**

22 "The following items shall not be included in gross in-
23 come, and shall be exempt from taxation under this subtitle:

24 "(1) **FOREIGN AREAS ALLOWANCE.**—In the case
25 of civilian officers and employees of the United States

1 Government, amounts received as allowances or other-
2 wise (but not amounts received as differentials) under
3 the provisions of titles II and III of the Overseas Em-
4 ployees Fringe Benefits Act or title IX of the Foreign
5 Service Act of 1946, as amended.

6 “(2) COST-OF-LIVING ALLOWANCES.—In the case
7 of civilian officers or employees of the Government of
8 the United States stationed outside continental United
9 States, amounts (other than amounts received under the
10 provisions of titles II and III of the Overseas Employees
11 Fringe Benefits Act or title IX of the Foreign Service
12 Act of 1946, as amended) received as cost-of-living al-
13 lowances in accordance with regulations approved by
14 the President.”

85TH CONGRESS
1ST SESSION

H. R. 3527

A BILL

To provide and adjust certain allowances, expenses, and other fringe employment benefits for certain Government employees stationed overseas, and for other purposes.

By Mr. MORRISON

JANUARY 23, 1957

Referred to the Committee on Post Office and Civil Service

1958 MAR -7 PM 12:44

1958 APR -5 AM 11:17

MEMORANDUM FOR: THE DIRECTOR

A draft of this letter was shown to Mr. Winslow in Mr. Siciliano's office. He felt that a letter of this type would be very helpful to them in adding to the support for H. R. 3527.

Recommend signature

John S. Warner
Legislative Counsel

5 March 1958
(DATE)

STAT

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)